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School & Institutional  
Trust Lands Administration

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M/001/0082

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DIV. OF OIL, GAS & MINING

August 4, 2014

Ms. Dana Dean P.E., Associate Director of Mining  
Utah State Division of Oil, Gas and Mining  
Department of Natural Resources  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84116-5801

RE: M/001/0082, Blawn Mountain Project, Utah Alunite Corporation

Dear Associate Director Dean:

Concerning the above referenced matter, I proffer this letter in support of Utah Alunite Corporation (Utah Alunite) activities conducted towards development of potash on lands managed by Utah State School and Institutional Trust Lands Administration (SITLA) in the Blawn Mountain area of Beaver County.

Utah Alunite, beginning in 2008, held leases on SITLA lands and worked diligently toward completing exploration, research, and permitting to actively bring these lands into economic production. The SITLA land base in this area of Blawn Mountain is an extensive block acquired by exchanging other mineral rich lands into this block with the intent and knowledge of all parties that the mineral resource on these lands would be developed for the economic advantage of the State Trust Land Beneficiaries. In addition to the potash currently under development, the area contains alunite and other metaliferous minerals all of which SITLA desires to see developed.

Utah Alunite currently holds 17,351.76 acres of trust lands under lease. Their activities on the land include completion of a drilling program beginning in 2012 under an approved Notice of Intent to Conduct Exploration (NOI), which resulted in completion of 50 exploration drill holes



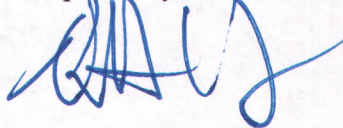
in their defined "target zone." To evaluate the extent of their current defined resource area, Utah Alunite filed an amendment to their Exploration NOI for an additional 32 drill holes that were drilled in 2013. Utah Alunite conducted a geophysical survey of the project area in 2013 and conducted air monitoring for purposes of establishing baseline air quality data. Other diligence includes payment to SITLA in rentals and advance royalty payments for \$694,599.44.

On July 8, 2014, DOGM granted tentative approval of a NOI to commence Large Mining Operations to Utah Alunite for the Blawn Mountain Project Mine (M/001/0082). I believe this action taken by DOGM was prudent and the NOI was issued after a long, careful and practical review of the application. SITLA reviewed the NOI and found that it satisfied the "landowner's" perspective that the environmental impact has been properly identified and mitigated through the DOGM, UDEQ, and State of Utah Resources Development Coordinating Committee processes.

SITLA is eager for the development of this mining operation to move forward in order that the mineral wealth of the lands may be developed for the purposes designated by Utah Code.

I thank the Division of Oil, Gas, and Mining for the opportunity to submit these comments.

Respectfully Submitted,



Kevin Carter, Director

School and Institutional Trust Lands Administration